

MINUTES OF THE STANDING COMMITTEE ON ENERGY AND TECHNOLOGY

Wednesday, February 1, 2006 8:30 a.m. Room 519 House Office Building, Lansing

Representative Nofs, Chair of the House Standing Committee on Energy and Technology, and Senator Patterson, Chair of the Senate Standing Committee on Technology and Energy, called the Joint House and Senate Committee meeting to order.

MEMBERS PRESENT: Representatives Nofs, Proos, Drolet, Garfield, Huizenga, LaJoy, Palsrok, Stahl, Baxter, Moore, Schuitmaker, Dillon, Accavitti, Murphy, Mayes, Hopgood, Clemente. (17/19)

ABSENT/EXCUSED: Representatives Emmons, Hunter. (2/19)

Representative Accavitti made a motion to adopt the minutes of the meeting of January 25, 2006, supported by Representative LaJoy. No objections being offered, a unanimous ballot was cast to accept the minutes as presented.

Representative Palsrok made a motion to excuse absent members, supported by Representative Garfield. No objections being offered, absent members were excused.

The purpose of the Joint Committee meeting was to receive a report from the Michigan Public Service Commission (MPSC) staff regarding the Michigan Electric Capacity Need Forum. MPSC staff presenting the report were: Greg White, Legislative Liaison, George Stojic, Director, Operations and Wholesale Markets, and Paul Proudfoot, Supervisor, Gas Safety and Electric Reliability.

A review of the following topics was included in the report:

- Capacity Need Forum Goals and Process
- Forum's Electric Generation Need Forecast
- Policy Issues identified by Forum Participants
- Commission Order U-14231
- Electric Generation Adequacy
- Capacity Need Forum Process Overview
- Michigan Electric Demand and Energy Forecast
- Michigan Energy Sales Forecasts
- Lower and Upper Peninsula Electric Generating Capacities
- Transmission Capability into Michigan House of Representatives
- Overview of Michigan Electricity Planning
- "With Support" System – Summary

Overview of Michigan Electric Planning: 1,500 MW Transmission Unavailable
Overview of Electric Planning: Upper Peninsula
Central Station Generation Options and Costs
Alternative Generating Options and Costs
New Transmission Options Transmission Work Group
Demand Work Group Base and Energy Efficiency Forecasts
Managing Risks Integration Work Group
Capacity Need Forum Proposed Integration Scenarios
Summary of Expansion Plans
Lower and Upper Peninsula Planning Results
Cost of Fossil-Fuels Receipts at Electric Generating Plants
Cinergy/Henry Hub Historical Prices (in U.S. dollars)
Commission Policy Utility Builds
Commission Policy Utility Purchases Capacity
Policy Recommendation
Recommendation for Changing Commission's Policy
Staff Reliability Option
State Ratemaking Procedures

Questions and discussion followed.

There being no additional business before the Committee, Chair Nofs declared the meeting adjourned, the time being 10:35 a.m.

Representative Mike Nofs, Chair

Catherine Petroskey, Committee Clerk
(517) 373-8538